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IWG/M-67
Control No. 2067
22 October 1954

INTELLIGENCE WORKING GROUP

Minutes of 67th Meeting

10:45 - 12:45, 21 October 1954

PRESENT

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Lt. Col. Ted Brown, OSD
Mr. Whitt, AFOIN
Mr. Wood, G-2
Mr. Smiley, ONI
Mrs. Young, EDS/State
Mr. Reiss, Commerce
Mr. Tilson, FOA/MDAC

1. COMMENTS ON OIR ECONOMIC DEFENSE STAFFING PROGRAM

Discussion - The OSD member, referring to item 3 in IWG/M-66, stated that his Office felt that definitive action should not be taken by the Executive Committee of EDAC on "spot" contributions by OIR/State until the intelligence community had been afforded an opportunity to review such contributions. It was agreed that such review was not required for OIR contributions to MDAC in the normal course of business between those two agencies, and that the intelligence community would have an opportunity to review those matters which reached the Executive Committee level.

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The Acting Chairman further advised the OSD member, that written assurances would be obtained from the Chairman, Executive Committee, that all spot requests from the EDAC structure would be channeled to appropriate agencies under provisions of DCID 15/1.

2. ASSESSMENT AND/OR RECORD OF COMMODITY INTELLIGENCE

Discussion - At the last IWG meeting the MDAC member agreed to provide the IWG with a statement of purpose and detailed specifications of what might be desirable in the way of a permanent record and/or an assessment of the commodity intelligence furnished JOC during the security list review. Mr. Tilson explained that it was now the opinion of MDAC that the utility to be derived from such a project would not be justified in terms of the manhours required. MDAC, therefore, was requesting that this proposed exercise not be initiated. [REDACTED] reported that the 25X1A9a material provided JOC during the several list reviews has been assembled centrally in CIA and could serve as a reference file for the intelligence community. He suggested that the proposed assessment of the contributions made to JOC not be undertaken at this time.

The Acting Chairman requested comments on the merit of a periodic inventory of projects of an economic defense nature produced within the intelligence community. Project inventories currently being prepared by the EIC and OIR/State were cited, and reference was made to EDAC Memo No. 40a of 8 May 1954 which established in MDAC a central reference point

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for the correlation and coordination of all economic defense requests (except those transmitted through IWG) upon the intelligence community.

Action - The Executive Secretary was instructed to undertake, on a trial basis, the preparation of a monthly inventory of all projects completed or in process within the intelligence community which are considered relevant to the needs of the economic defense program. IWG members were requested to assist in this project by supplying the Executive Secretary with a copy of any such inventory produced by their respective agencies.

3. PREPARATION OF COORDINATED LISTS OF DECONTROLLED COMMODITIES

Discussion - The IWG Subgroup on "Intelligence on Trade in Decontrolled Commodities" had originally been assigned the task of preparing a list of decontrolled commodities the movement of which should be traced. IWG Case No. 76, a recapitulation of developments on this IWG project, was distributed. Mr. Tilson informed the members that Mr. Levin of the MDAC Staff had written a memorandum which now proposed that JOC assume responsibility for preparation of this list.

Action - It was agreed that further work by the IWG Subgroup would be deferred pending completion of the JOC list and that Mr. Tilson would verify the transmittal of JOC of the commodity lists prepared by the military services.

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5. BRIEFING ON ECONOMIC DEFENSE ACTIVITIES IN CIA

Discussion - The Acting Chairman described the role of CIA in furnishing intelligence support to the economic defense program. He provided a graphic description of the organizational structure and activities of the several divisions in the Office of Research and Reports (ORR), emphasizing the functions of the Economic Defense Division (D/E/RR). He explained that recent transfers of personnel to the research area of ORR had placed primary responsibility for commodity research ^{production} upon that area, leaving D/E/RR with responsibility for providing ^{Coordination of commodity research and} support ~~primarily~~ in the enforcement field. Referring to the Administrative Action Program (AAP), the Acting Chairman reported that effective liaison had been established between [REDACTED] intelligence files in Commerce and CIA. [REDACTED] spoke of the procedures in ORR by which commodity support is provided in response to requests from the EDAC-ACEP structure.

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6. OTHER INTELLIGENCE MATTERS

a. Production and Uses of Indium

Discussion - Intelligence Request No. 1 of 20 October, outlining an FOA/MDAC request for an IWG intelligence study on Soviet bloc and Western European production and uses of indium, was distributed. MDAC proposes that intelligence developed will be used by action agencies in determining whether this commodity should be made subject to U.S. and COCOM trade controls. Such a study is considered desirable in view of

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attempted Soviet procurement and development by the U.S. Air Force of highly strategic uses for indium. [REDACTED] provided information on 25X1A9a the technical properties of indium and on Soviet bloc production. The difficulty of attempting to prevent Soviet procurement of a commodity such as indium which can be smuggled in small quantities by diplomatic pouch was indicated.

Action - It was agreed that IWG would undertake to provide the information requested by MDAC, and that the OIR and OSD members would coordinate with Mr. Adams the production of an indium study.

b. Change of Name of the IWG

The Acting Chairman announced that IAC had been requested to approve a change in the name of IWG to Economic Defense Intelligence Committee (EDIC), citing a memorandum to the IAC dated 15 October from [REDACTED]

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c. Programming for Economic Defense Intelligence Requirements

The Acting Chairman reported on the first meeting of an ad hoc committee on this subject which has been established under chairmanship of Mr. Robert Wright, EDS/State. The committee is composed of representatives from CIA, MDAC, Commerce, OSD, FOA and State (OIR and EDS). It has been assigned the task of formulating research requirements on the basis of ED/EC D-74 dated 7 October 1954 which transmits to the Executive Committee

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25X1A (1) the [REDACTED] report on "Soviet Economic Trends and Their Implications for East-West Trade" and (2) A Draft Framework of Research and Analysis 25X1A on Soviet Bloc and Free World Economic Developments and their Implications for Economic Defense. The principal conclusions in the [REDACTED] report are to be discussed with intelligence specialists, and a program of research formulated to provide more adequate support to economic defense.

d. Progress Report on FEEDWG Project on Communist China

Progress made by the Far Eastern Economic Defense Working Group of EDAC regarding the differential controls problem was reviewed. Work has been done on the Sino-Soviet and Soviet satellite - Nonbloc aspects of the FEEDWG assignment, but an NIE on remaining aspects of the problem has not yet been initiated. Mr. Reiss informed the members that Commerce has undertaken a consolidation of the several China lists.

e. Intelligence for COCOM Enforcement Program

25X1X7 The Acting Chairman reported on recent conversations held between representatives of CIA and [REDACTED] on the exchange of information of an enforcement character between the two intelligence services. Discussions 25X1X7 have been held also with [REDACTED] These several conversations indicate 25X1X7 that it is unlikely that the U.S. [REDACTED] 25X1X7

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f. Intelligence Requirements on South China Shipping

ED/EC M-122 states that IWG would be asked to furnish information on "the relationship between the Polish shipping lines operating in the Communist China area and the reported ownership of these lines by the Communist Chinese Government" and on "the reported build-up of Soviet shipping in the South China area." Mr. Tilson declared that ONI, rather than IWG, would be requested to provide this type information.

g. Change of Meeting Place

It was agreed that for the next three months, commencing with the meeting scheduled for 4 November, IWG would meet at 10:30 on Thursday in Room 622, State Annex 1, located at 401 23rd Street N.W.

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Executive Secretary
Intelligence Working Group

Distribution

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